

"Conditional sale contract" means,

—any agreement other than a charge account, under the terms of which a buyer is to obtain possession of any goods without paying the price thereof in full at or before the time of delivery.

Some examples are given, but the principle is as I have read it.

By subsection 1 of section 3 of the bill the Governor in Council may make regulations regarding:

(a) payment for consumer goods sold at retail under a conditional sale contract or any goods sold at retail under a charge account;

(b) the repayment of loans wholly or partially secured on consumer goods purchased by the borrower at retail;

(c) the repayment of loans, the proceeds of which are used to pay for consumer goods purchased by the borrower at retail.

That is to say, if after the passage of this bill one of my honourable colleagues were to request a loan from a bank for the purpose of buying some of the goods referred to in one of the orders in council, he might be committing an offence, namely, borrowing for the purpose of buying on credit or of buying for cash and paying later, which is the same as buying on credit.

**Hon. Mr. Aseltine:** It is the same?

**Hon. Mr. Roebuck:** Subsection 2 of section 3 reads:

The Governor in Council may, for carrying out the purposes and provisions of this Act and the regulations made under subsection one, make regulations

(a) providing for the inspection of premises and the examination of any goods, books or records therein,

—and so forth.

**Hon. Mr. Vien:** Is this a war measure?

**Hon. Mr. Roebuck:** No, I do not think it is.

**Hon. Mr. Vien:** Then, if it is not, what is the opinion of the honourable senator as to the constitutionality of this provision, having in mind sections 91 and 92 of the British North America Act, relating to property and civil rights?

**Hon. Mr. Roebuck:** The question is a good one, and I propose to refer to the constitutional aspect, but I do not think it would be wise to do so at the moment. By the way, an amendment was made to the bill as introduced, and some words were added. Section 3, subsection 1, paragraph (c), now reads: the repayment of loans, the proceeds of which are used to pay for consumer goods purchased by the borrower at retail,

and with respect to the amount of loans referred to in paragraphs (b) and (c).

Of course penalties are provided, but they are not very drastic: \$500 for summary conviction, and \$5,000 in case of conviction under indictment. Regulations under the Act are to be published in the *Canada Gazette*.

A rather important feature of the Act relates to its expiration. It will terminate on the 31st day of July, 1952:

Provided that, if the Governor in Council so orders, it shall expire on an earlier day designated by him; and provided further that, if at any time while this Act is in force, addresses are presented to the Governor General by the Senate and House of Commons, respectively, praying that this Act be continued in force for a further period, and the Governor in Council so orders, this Act shall continue in force for that further period.

**Hon. Mr. Vien:** Is it proposed that an offence shall be created by regulation? In this bill it is stated that the Governor in Council may by regulation determine that this or that violation of regulations is an offence under the Act, and prescribe penalties. Is it usual in federal legislation to create offences by regulation, not by statute?

**Hon. Mr. Roebuck:** I think the answer—which I tender with respect—is yes. I have in mind, for instance, the Post Office Act, under which the Postmaster General is permitted to make regulations and provide penalties. It is not even necessary to proceed by Order in Council. I think it will be found that in every Act which gives power for the creation of a prohibition, so that it is an offence to do something, penalties are provided; and frequently it will be found that the regulations shall specify what is to be the penalty. It is a fairly general practice to let the Governor in Council not only specify the prohibited act but provide the penalty.

**Hon. Mr. Vien:** I doubt it.

**Hon. Mr. Roebuck:** Well, there is no doubt that there is plenty of precedent for so doing.

**Hon. Mr. Vien:** It often happens that the Governor in Council is empowered to pass regulations to make an Act workable, and a breach of such regulations may constitute an offence; but I believe that in general the offences are specified and the penalties provided for in a more specific way than under the terms of this bill.

**Hon. Mr. Roebuck:** Well, I suppose that is a question on which each of us will decide according to his own experience and reading. I do not think this procedure is very unusual.

**Hon. Mr. Vien:** I think this bill goes further in that direction than any which has preceded it.